

Amended: September 22, 2011

Effective: January 15, 2012

POWERBALL RULES

(5 OUT OF 59 AND 1 OUT OF 35)

The following rules have been adopted by the New Jersey State Lottery Commission pursuant to the authorization contained in N.J.S.A. 5:9-7 and shall govern the operation of “POWERBALL” lottery game. The rules are as follows:

DEFINITIONS

“Authorized Claim Center” means any “POWERBALL” Agent or Retailer, or Party Lottery office in the state where the winning Official “POWERBALL” ticket being claimed was purchased.

“Claimant” means any person or entity submitting a claim form within the required time period to collect a prize for an Official “POWERBALL” ticket. A Claimant may be the Purchaser, the person or entity named on a signed Official “POWERBALL” ticket, the bearer of an unsigned Official “POWERBALL” ticket, or any other person or entity who may seek entitlement to a “POWERBALL” prize payment in accordance with the “POWERBALL” Rules and Party Lottery governing laws, policies and rules.

“Party Lottery or Lotteries” means one or more of the state lotteries established and operated pursuant to the laws of Oregon, Idaho, Montana, Colorado, Arizona, New Mexico, North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, Minnesota, Iowa, Missouri, Wisconsin, Indiana, Louisiana, Tennessee, Kentucky, West Virginia, Florida, South Carolina, North Carolina, Pennsylvania, Delaware, Connecticut, Vermont, Rhode Island, New Hampshire, Maine, Washington DC, and the US Virgin Islands, but participating states may change from time to time. Party Lotteries also include the states belonging to the Mega Millions Multi State group, California, Georgia, Illinois, Maryland, Massachusetts, Michigan, New Jersey, New York, Ohio, Texas, Virginia and Washington who have been granted a license by MUSL to sell “POWERBALL” tickets in their jurisdiction.

“Directors” means the chief officers of the Party Lotteries or any other persons

to whom the Directors' authority is lawfully delegated.

“Lottery” means the New Jersey Lottery.

“Lottery Director” means the Executive Director of the New Jersey Lottery.

“MUSL” means the Multi-State Lottery Association, a government-benefit association wholly owned and operated by the Party Lotteries.

“MUSL Board” means any governing body of MUSL, which is comprised of the chief executive officer of each Party Lottery.

“POWERBALL Ticket” means an official game ticket, produced on official paper stock by a “POWERBALL” Agent or Retailer in an authorized manner, bearing player or computer selected numbers, game name, drawing date, amount of wager, and validation data.

“Prize Fund” means that portion of “POWERBALL” gross sales set aside for the payment of prizes. The Prize Fund for any drawing is expected to be 50% of sales, but may be higher or lower based upon the number of winners at each fixed prize level, as well as the funding required to meet the advertised jackpot.

“Purchaser(s)” means player(s) of “POWERBALL” who purchase tickets in accordance with “POWERBALL” Rules and the New Jersey Lottery governing laws, policies and rules.

“Agent, Sales Agent or Retailer” means a location in the States of Oregon, Idaho, Montana, Colorado, Arizona, New Mexico, North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, Minnesota, Iowa, Missouri, Wisconsin, Indiana, Louisiana, Tennessee, Kentucky, West Virginia, Florida, South Carolina, North Carolina, Pennsylvania, Delaware, Connecticut, Vermont, Rhode Island, New Hampshire, Maine, Washington DC, US Virgin Islands, California, Georgia, Illinois, Maryland, Massachusetts, Michigan, New Jersey, New York, Ohio, Texas, Virginia and Washington licensed or contracted and equipped by its respective state lottery to sell “POWERBALL” tickets.

“Play/Bet Slip” means a card used in marking a player's game plays and containing one or more selection panels.

“POWERBALL Winning Numbers” means five (5) one or two digit numbers, from one (1) through fifty-nine (59) and one (1) one or two-digit number from one (1)

through thirty-five (35), randomly selected at each “POWERBALL” drawing, which shall be used to determine winning “POWERBALL” plays contained on “POWERBALL” tickets.

“**Power Play**” means a feature that gives players the opportunity to increase their potential winnings beyond the set prize amount (excluding the Grand/Jackpot prize). All set prizes and Power Play prizes may be reduced if claims exceed available prize fund. The feature, including the Match 5 Second Tier Prize Category, may be increased for promotional purposes and for limited time, at the discretion of the Party Lotteries.

RULES

1. The lottery game in which the ticket purchaser selects, or has the computer randomly assign five (5) numbers from Field 1 which includes a range of consecutive numbers from one (1) to fifty-nine (59) and one (1) number from Field 2 which includes a range of consecutive numbers from one (1) to thirty-five (35), shall be called “POWERBALL” and all lottery tickets issued for this game shall be clearly identified with the name of the game and the date or dates of the drawing(s) for which they apply.
2. “POWERBALL” tickets will be sold every day during the normal business hours of the agents authorized to sell said tickets. The sale period for any given “POWERBALL” lottery date will terminate on the date of the drawing at 9:59 pm Eastern Time. Wagers may be placed for any of the first eight (8) drawings following the date and time the wager is placed.
3. Lottery tickets for “POWERBALL” will be available only from certain designated lottery agents who have been selected by the Lottery Director.
4. The selected agents will have on their business premises an agent-operated, on-line gaming system terminal and shall prominently display the machine and a poster or other advertisement stating that they sell tickets for “POWERBALL” lottery.
5. The price of a single wager shall be \$2.00, except that the Lottery Director may establish a discount for promotional purposes.

6. The Power Play option may be purchased for an additional \$1.00, per play, or multiples thereof in the case of a multi-draw wager, at the discretion of the Purchaser.
7. The agent-operated, on-line gaming-system terminals will sell tickets for the "Pick-6 Lotto," the "Pick 4," the "Pick 3," the "Jersey Cash 5," "Raffle", "MEGA MILLIONS", and "POWERBALL" lotteries. The agents having this type of machine will be required to operate the machine for purposes of the issuance of all lottery tickets and shall be required to provide certain specified services relating to the upkeep of the machine and the reporting of lottery sales. All agents are required to have on deposit in their lottery bank account, no later than the close of their bank business day each Thursday, gross sales receipts less commission and cash prizes paid out for the previous sales week ending Wednesday. In case of deficiencies in Electronic Funds Transfer (EFT), the Lottery Director may debit the agent's account \$25.00 per failure. Agents will receive a commission equal to five percent of the gross sales dollars. In addition, all agents paying out cash prizes up to \$599.00 shall receive a commission equal to 1.25% of the money paid out in prizes. The agent(s) selling a winning 5 out of 59 + 1 out of 35 "POWERBALL" ticket shall receive a \$10,000.00 bonus from the Lottery. The bonus shall be paid for each winning 5 out of 59 + 1 out of 35 ticket sold. The agent(s) selling a winning 5 out of 59 "POWERBALL" ticket shall receive a \$500.00 bonus from the Lottery. The bonus shall be paid for each winning 5 out of 59 ticket sold. Agent commission and bonuses may be offset, at the Lottery Director's discretion, against monies due from the agent to the Lottery. In such cases, if applicable, a net payment will be made to the agent. All data regarding agents' sales and compensation shall be kept confidential by the Lottery, except for income tax reporting required by law. The agent-operated, gaming-system terminals will have the capacity to:
 - a) Handle advance sales as may be implemented at the Lottery Director's discretion.
 - b) Issue "POWERBALL" tickets for \$2.00 and in multiples of \$2.00 up to \$10.00.

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- c) Issue "POWERBALL" Quick Pick tickets for \$2.00 and in multiples of \$2.00 up to \$10.00.
 - d) Validate all "POWERBALL" tickets for a period of one year from the date of drawing.
8. "POWERBALL" tickets may not be canceled.
 9. Purchasers may submit a manually completed "POWERBALL" Bet Slip to an Agent to have issued a "POWERBALL" ticket. Bet Slips shall be available at no cost to the Purchaser and shall have no pecuniary or prize value, or constitute evidence of purchase or number selections. The use of mechanical, electronic, computer generated or any other non-manual method of marking Bet Slips is prohibited.
 10. Purchasers may orally convey their selections to a "POWERBALL" Agent to have issued a "POWERBALL" ticket. Such selections shall be manually entered into the gaming-system terminal by the Agent.
 11. In those Party Lottery states which offer player operated sales terminals (POSTs) or self-service terminals (SSTs), purchasers may utilize POSTs or SSTs for the purchase of "POWERBALL" tickets, and may make number selections by inserting a completed Bet Slip into the POST's or SST's optical mark reader, or by manually entering the selections on the POST or SST touch screen or selecting a Quick Pick/Easy Pick option.
 12. The type of bets and the amount of the prizes for "POWERBALL" shall be determined as follows:

The purchaser shall select or "Quick Pick" any five (5) numbers for Field 1, from a range of consecutive numbers of 1 through 59 and one (1) number from Field 2 from a range of consecutive numbers of 1 through 35. Bet selections of less than or more than six (6) numbers will be impermissible.
 13. It shall be the sole responsibility of the Purchaser to verify the accuracy and condition of the data printed on the "POWERBALL" ticket at the time of purchase.
 14. The purchaser must select, at the time of the sale, one of the following methods of prize payment:

- a) The player must select at the time of purchasing the ticket between either receiving the annuity installment prize or receiving a single cash payment. Once the cash value equivalency option is selected under this subparagraph, the selection is irrevocable, and the player may not change his or her mind; and
- b) Whenever a player wins an annuity installment prize AND has not chosen in advance to select a single cash payment, when the option is available under the immediately preceding paragraphs, the player shall have another opportunity to select receiving a single cash payment, after the player:

Reviews the Lottery's disclosure of the methodology used to compute the single cash payment; and

signs an irrevocable prize payout election form stating that the player understands that he or she is under no obligation to elect to take the single cash payment and may freely continue to take the prize as an annuity; and

Makes the irrevocable selection between the annuity payments and a single cash payment within 60 days from the date the prize claim is made. If a single cash payment option is offered for an annuity prize claim, no payment for such a prize will be processed until the Claimant submits a form irrevocably selecting a payment option, or the 60-day selection period lapses, whichever shall first occur.

15. The drawing to select the winning numbers shall be conducted at Universal Studios, Orlando, Florida at approximately 10:59pm Eastern Time. "POWERBALL" drawings shall be conducted on Wednesday and Saturday at the designated time. However, the day, time or location of "POWERBALL" drawings may be modified as determined by the Directors and publicly announced by the Party Lotteries, and/or as stated in the "POWERBALL" On-

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- Line Drawing Procedures. All “POWERBALL” drawings will be open to the public.
16. “POWERBALL” drawings shall randomly generate, by mechanical means, “POWERBALL” winning numbers, pursuant to the controls and methods defined by the Party Lotteries.
 17. No Claimant may assert rights different from the rights acquired by the original Purchaser at the time of purchase.
 18. The Annuity Jackpot amount as determined by MUSL shall be the basis for determining the amount to be awarded for the winning “POWERBALL” tickets matching all five (5) of the five (5) “POWERBALL” numbers drawn from Field 1 and the one (1) “POWERBALL” winning number drawn from Field 2.
 - a.) Annuity Option Jackpots shall be paid in thirty (30) annual installments by the Party Lottery that sold the winning Official “POWERBALL” ticket. The initial payment shall be paid upon completion of internal validation procedures. The subsequent twenty-nine (29) graduated payments shall be paid annually to coincide with the month of the federal auction date at which the bonds were purchased. Such payments shall be made within seven (7) days of the anniversary of the actual auction date.
 - b.) Cash Option Jackpots shall be paid in a single payment upon completion of internal validation procedures. The Cash Option amount offered may be either the amount determined by multiplying the annuity prize amount by a discount value set by the “POWERBALL” Finance Committee prior to each drawing (the "Cash Equivalent Jackpot"), or the proceeds of the sale of bonds purchased to fund the particular winner's share of the annuity Jackpot amount, at the discretion of the Lottery Director.
 - c.) In the event multiple “POWERBALL” tickets match all five (5) of the five (5) “POWERBALL” winning numbers for Field 1 and the one (1) “POWERBALL” winning number for Field 2, and the Annuity “POWERBALL” Jackpot divided by the number of winning game panels

is less than \$1,000,000, each “POWERBALL” Jackpot winner shall be paid an amount equal to the Cash Equivalent Jackpot divided equally by the number of Jackpot winners. Each such Jackpot winner will be paid in a single cash payment.

- d.) If in any “POWERBALL” drawing there are no “POWERBALL” tickets which qualify for the Jackpot category, the portion of the Prize Fund allocated to such Jackpot category shall remain in the Jackpot Category and be added to the amount allocated for the Jackpot category in the next consecutive “POWERBALL” drawing.
- e) Second through Ninth Level Prizes are as follows:
 - i) “POWERBALL” tickets matching (5) of the five (5) “POWERBALL” winning numbers drawn for Field 1, but not matching the “POWERBALL” winning number from Field 2 shall be entitled to receive a Second Prize of \$1,000,000.
 - ii) “POWERBALL” tickets matching four (4) of the five (5) “POWERBALL” winning numbers drawn for Field 1 and the “POWERBALL” winning number drawn from Field 2 shall be entitled to receive a Third Prize of \$10,000*.
 - iii) “POWERBALL” tickets matching four (4) of the five (5) “POWERBALL” winning numbers drawn for Field 1 but not matching the “POWERBALL” winning number from Field 2 shall be entitled to receive a Fourth Prize of \$100*.
 - iv) “POWERBALL” tickets matching three (3) of the five (5) “POWERBALL” winning numbers drawn for Field 1 and the “POWERBALL” winning number drawn from Field 2 shall be entitled to receive a Fifth Prize of \$100*.
 - v) “POWERBALL” tickets matching three (3) of the five (5) “POWERBALL” winning numbers drawn for Field 1 but not matching the “POWERBALL” winning numbers drawn from Field 2 shall be entitled to receive a Sixth Prize of \$7.

- vi) “POWERBALL” tickets matching two (2) of the five (5) “POWERBALL” winning numbers drawn for Field 1 and the “POWERBALL” winning number from Field 2 shall be entitled to receive a Seventh Prize of \$7.
- vii) “POWERBALL” tickets matching one (1) of the five (5) “POWERBALL” winning numbers drawn for Field 1 and the “POWERBALL” winning number from Field 2 shall be entitled to receive an Eighth Prize of \$4.
- viii) “POWERBALL” tickets matching no numbers (0) of the five (5) “POWERBALL” winning numbers drawn for Field 1 but matching the “POWERBALL” winning numbers from Field 2 shall be entitled to receive a Ninth Prize of \$4.
- ix) Each “POWERBALL” Second through Ninth prize shall be paid in one payment.

*All set prizes and Power Play prizes, including the Match 5 Second Tier Prize Category, may be reduced if claims exceed available prize fund. If the total of the original “POWERBALL” set prizes awarded in a drawing exceeds the percentage of the prize pool allocated to the set prizes, beginning with the highest set prizes, may be paid on a Pari-Mutuel rather than fixed prize basis, provided, however, that in no event shall the Pari-Mutuel prize be greater than the fixed prize.

19. The Power Play feature offers to the owners of a qualifying play a chance to increase the amount of any of the eight lump sum fixed Set Prizes (lump sum fixed prizes normally paying \$4 to \$1,000,000) won in a drawing. The Grand Prize jackpot is not a fixed Set Prize and will not be increased. Except as provided in these rules, a qualifying play which wins one of the eight lowest lump sum fixed Set Prizes (excluding the Jackpot) shall be paid as follows:

Match 5+0	\$2,000,000
Match 4+1	\$40,000
Match 4+0	\$200

Match 3+1	\$200
Match 3+0	\$14
Match 2+1	\$14
Match 1+1	\$12
Match 0+1	\$12

20. Prize Pool:

- a) The expected Prize Pool for each drawing is approximately fifty percent (50%) of the money wagered by all players, plus the carryover amount, if any. The Prize Pools are generated from the prize fund.
- b) For winning “POWERBALL” tickets 5 out of 59 + 1 out of 35 for which no claim or redemption is made within the specified claim period for each respective Party Lottery, the corresponding Jackpot monies shall be returned to the other Party Lotteries in accordance with procedures for the reconciliation of prize liability as may be agreed from time to time by the Directors of the Party Lotteries.
- c) The amount of the Prize Pool may be supplemented by proceeds from the unclaimed prize reserve or any part thereof for purposes of increasing the fixed prize awards at such times and in such a manner as the Lottery Director shall determine. The unclaimed prize reserve will be credited an amount equal to a maximum of 70% of the daily prize obligation forfeitures. For prize levels 2nd through 9th, prize obligation forfeitures are defined as that portion of game prizes which, after one year from the drawing date or game closing (end date), are unclaimed by players. Jackpot obligation forfeitures are defined as the New Jersey portion of the contributed prize allocation to be forfeited after the winning Party Lottery’s claim period has ended. The claim period for Powerball prizes sold in New Jersey is one year from the date of the drawing. For tickets claimed and scanned at an authorized New Jersey Lottery Agent or Retailer, within the time period noted above, and then sent to Lottery Headquarters for validation, said ticket must be received at the headquarters’ office by the

close of business on the thirtieth (30th) day after the expiration of the official claim period in order to be paid.

The New Jersey Lottery Controller shall maintain a daily record of unclaimed prizes and provide such information to the Lottery Director at least monthly. It shall be the responsibility of the Lottery Director to report such information to the New Jersey Lottery Commission. Any portion of the unclaimed prize reserve may at any time be treated as net proceeds for allocation to the State General Fund as aid to state institutions and education. At no time shall the unclaimed prize reserve be utilized inconsistently with the 30% minimum contribution requirement of the State Lottery law.

- d) "POWERBALL" Grand/Jackpot shall be divided equally among the winners.
- e) Each "POWERBALL" Second through Ninth Prize shall be paid in one payment.
- f) All payments shall be made to the winner, or his or her estate in accordance with N.J.S.A. 5:9-13.
- g) The prize unit will be rounded down to the nearest dollar.
- h) Each \$2.00 bet shall be considered a single unit equal to one share of the total pool.

21. Validations:

- a) The holder of a winning ticket for "POWERBALL" can take said ticket to any Authorized Claim Center for validation. All Lottery Agents having an agent-operated, gaming-system terminals are claim centers. If said winning ticket entitles the holder to a prize of \$599.00 or less, said prize will be paid by the agent upon presentation and validation of the ticket. If the winning ticket entitles the holder to a prize that is more than \$599.00, then the agent shall validate the winning ticket, the Claimant shall fill out a claim form issued by the agent and mail the claim form and validated ticket to Lottery Headquarters in the claim form mailer envelope. Once a ticket and claim form is received at Lottery Headquarters and validated, it will not be

returned to the winner, but will be retained by the New Jersey Lottery and the payment will be processed. The winner will retain a copy of the claim form prior to mailing to Lottery Headquarters.

- b) Winner(s) of either the Jackpot Prize or a prize of \$1,000,000 shall be required, at the discretion of the Lottery, to participate in a press conference. A press conference is an interview with television, radio and/or newspaper reporters and photographers. The press conference will be scheduled by the Lottery.
- c) The ticket must have been issued by an authorized New Jersey Lottery “POWERBALL” Agent or Retailer on official paper stock of the New Jersey Lottery.
- d) The ticket must have been recorded on the gaming-system computer prior to the drawing and the ticket data must match this computer record in every respect.

In the event of a contradiction between information as printed on the ticket and as accepted by the New Jersey Lottery computer, the wager accepted by the New Jersey Lottery gaming-system computer shall be the valid wager.
- e) Tickets are void if:
 - i) Stolen, unissued, unreadable, mutilated, altered, reconstituted, counterfeit in whole or in part, miscut, multiply-printed, defective, tampered with, printed or produced in error, or blank or partially blank.
 - ii) Printing is irregular.
 - iii) Apparent or asserted symbols are not confirmed by validation number.
 - iv) The ticket fails any of the Lottery's other validation tests.
- f) The player or computer number selections, validation data and the drawing date(s) of an apparent winning ticket must appear on the official file of winning tickets, and a ticket with that exact data must not have been previously paid. The ticket must not be misregistered, defectively printed

or produced in error to an extent that it cannot be processed by the New Jersey Lottery.

22. Liability of New Jersey Lottery

a) The liability of the Lottery for tickets printed or produced in error or for defective tickets shall be limited to the replacement of the defective ticket with another unplayed ticket or reimbursement of the holder at the retail sale price of the ticket.

b) All winners, tickets, and transactions are subject to New Jersey Lottery rules and regulations, and State Law. All prize awards are subject to claim procedures, validation tests, and other applicable requirements of the New Jersey Lottery.

23. All persons holding winning tickets must file for a prize within one year after the date of the drawing. One year means the anniversary of the date of the draw unless the draw date is February 29th in which case the anniversary is considered to be March 1st. All winning tickets submitted beyond the one-year period are not eligible for prize awards. Except as herein provided, all rules and regulations of the Lottery shall govern the operation of the "POWERBALL" lottery. All determinations of winners shall be made by the Lottery Director whose judgment shall be final.